

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 3191 - SB 3155**

February 12, 2010

**SUMMARY OF BILL:** Establishes a registration program for Appraisal Management Companies (AMC) within the Tennessee Real Estate Appraiser Commission. Requires an AMC to post and maintain a \$50,000 surety bond. Authorizes the Commission to promulgate rules and to implement a registration fee not to exceed \$2,000. Establishes requirements for initial and continued licensure. Requires the Commission to investigate any complaints received on an AMC. Authorizes the Commission to censure, suspend or revoke licensure, or impose civil penalties up to \$25,000 for violation of any rule, regulation, or procuring a license by fraud.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue - \$100,000/FY10-11/Tennessee Real Estate Appraiser  
Commission**

**\$120,000/FY11-12/Tennessee Real Estate Appraiser  
Commission**

**\$140,000/FY12-13/Tennessee Real Estate Appraiser  
Commission**

**Increase State Expenditures - \$11,500/One-Time/Tennessee Real Estate  
Appraiser Commission**

**\$92,800/Recurring/Tennessee Real Estate  
Appraiser Commission**

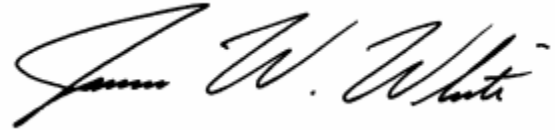
**Assumptions:**

- According to the Department of Commerce and Insurance, approximately 50 AMCs will register in year one with 10 new companies per year thereafter. Registration fees are due annually.
- Total increase in state revenue for initial licensees in FY10-11 is estimated to be \$100,000. Estimated increase in FY11-12 is \$120,000 and FY12-13 \$140,000. The increase in new applicants remains constant.
- According to the Department, the Commission will require an additional licensing technician position at a recurring cost of \$52,286 which includes salary (\$27,900), benefits (\$9,486), administrative costs (\$11,200), computer and telecommunications (\$2,000) and office lease (\$1,700). The position will require a one-time increase in expenditures of \$11,500 which includes rule-making (\$7,500), computer registration system upgrades (\$1,000), office landscaping (\$2,000), and computer cost (\$1,000).

- The Commission will incur additional recurring expenditures for the investigation and hearing costs for complaints against AMCs at an estimated recurring cost of \$40,500 which includes travel and per diem for nine board members (\$8,000), and legal, investigative, and administrative costs (\$32,500).
- Pursuant to Tenn. Code Ann. § 4-3-1011, all regulatory boards are required to be self-supporting over a two-year period. As of June 30, 200, the Commission had a positive balance of \$255,030.16.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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